June 2, 2009 - Starting Over on a Helicopter

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Starting over on a helicopter
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WASHINGTON (AP) — Once the effort to replace the president's aging fleet of helicopters became the poster child for government waste, it didn't take long for the multibillion-dollar program to hit the chopping block. Even so, the cost to taxpayers could just be starting.
Already \$3.2 billion has been spent on the new VH-71 helicopters with an estimated \$10 billion to go.
The helicopter that carries the president is designated Marine One. President George W. Bush ordered up a replacement fleet when security concerns heightened after the Sept. 11, 2001, terrorist attacks.
Demands such as making the helicopters capable of
functioning after a nuclear attack but gentle to the White House foliage helped put developing the aircraft six years behind schedule and doubled the estimated

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price tag for a fleet of 28 to \$13 billion.

Serious talk of scrapping the plan to build the helicopters surfaced at a White House fiscal summit in February. President Barack Obama's 2008 election opponent, Sen. John McCain, R-Ariz., put Obama on the spot about the program's cost overruns. Obama concurred and called the program an example of federal contracting run amok.

Defense Secretary Robert Gates agreed and the military in May halted production at the Lockheed Martin helicopter plant in Owego, N.Y. That order was made final Monday evening with a termination letter to the contractor.

However, some members of Congress vow to keep the program going. They say it will cost \$555 million in early termination fees to drop the program, on top of the money already spent.

There's agreement on at least one point: the president's fleet of 19 1970s-era VH-3D and VH60-N helicopters needs to be replaced.

The Navy is developing options for yet another run at a new helicopter fleet, while figuring out what to do with the nine aircraft already delivered to the Navy under the aborted contract. Four of those are test models.

Rep. Roscoe Bartlett, R-Md., who sits on the House Armed Services Committee, said he's baffled that just a few years ago, Bush administration officials persuaded lawmakers to push forward quickly because the new helicopter was urgently needed, but now Gates is saying the current fleet is safe for a little longer.

"Either the present people are not being truthful with us, or the previous people were not being truthful with us," Bartlett said.

New York lawmakers and others want to resume production at the plant in New York.

"It doesn't make sense to me to not use those helicopters," said Sen. Kirsten Gillibrand, D-N.Y.

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The helicopters already made were designed to be a short-term placeholder until a souped-up model was ready. The New York lawmakers want to abandon plans for the more sophisticated helicopters and instead churn out a total of 19 of the basic models, which they say can be done for \$6 billion — the price as originally budgeted.

"It would come ... into use so much faster and at so much less expense if it were just allowed to continue, rather than to cancel it and then start all over again, which is absolutely bizarre," said Rep. Maurice Hinchey, a Democrat who represents the district where the helicopters are made. "That is going to cost huge amounts of money. That is going to cost multibillions of dollars more than what this is going to cost by just continuing it."

But Gates said at a May 20 congressional hearing that the basic models "amortized" would be \$1 billion apiece. He said their life span would be about a decade, much less than the 30- to 40-year life span of the current fleet.

"Even if you bought those helicopters, you would almost immediately have to begin a new helicopter program to begin addressing the requirements that the White House has had that were posited under the previous administration," he said.

Gates said one option may be to build two types of presidential helicopters, one for routine transport and the other for use if the president is in danger. He said it will take about \$1.2 billion to extend the life of the current fleet and terminate plans for the new fleet that has been canceled.

Rep. Joe Sestak, D-Pa., a former Navy vice admiral who has sat in on classified briefings on the program, said he questions why the helicopters already delivered to the Navy aren't going to be used at the White House. He said he thinks it would be safer for the president and more cost-effective to get them ready for his use than to start over.

Lawmakers from Connecticut, home to Sikorsky Aircraft, which built the '70s-era presidential fleet and lost out on building the new fleet, say they are hopeful there will be a new competition.

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Rep. Joseph Courtney, D-Conn., said he'd like to see some sort of arrangement worked out so that some of the previous work can be salvaged by the Navy. Courtney noted that the current project had triggered a requirement that the Pentagon notify Congress about significant cost growth. "When programs hit that level of cost overrun, they really need to examined," Courtney said.

The issue will likely come up again Wednesday at a House defense appropriations subcommittee hearing. At the panel's earlier hearing, subcommittee chairman Rep. John Murtha, D-Pa., asked Gates if it might be more expensive than he had estimated to keep the current fleet in the air.

"I've never seen an estimate yet that didn't cost a lot more," Murtha said.

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